

Distribution By Department - Accumulated Depreciation
For 1 Period(s)
Periods Posted Year-to-Date: 12

12/09/02
3:08pm

Schedule 6.22

Asset Number	Description	Placed In Service	Book Cost	Prior Year Accum Depr - Sec 179 & ITC	Depr Posted - Prior Periods	Depr Posted - This Period	Period End - Net Book Value
Totals for: 209041000 210041000			381011.55	159349.87	9905.94	1044.43	210711.31
General Ledger Asset Account: 211041000 Accumulated Account: 212041000							
414001	BALTIMORE - PLANT & EQUIPMENT	05/01/81	712859.25	712859.25	0.00	0.00	0.00
414002	EXTENDED LIFE 001	08/01/87	1314815.47	258507.40	53651.44	4877.40	997779.23
414003	TANK FARM IMPROVEMENTS	07/01/81	311273.04	311273.04	0.00	0.00	0.00
414004	EXTENDED LIFE 003	08/01/87	598362.27	117944.05	24479.74	2225.43	453713.05
414005	CHANNEL DREDGING	12/01/81	251493.83	251493.83	0.00	0.00	0.00
414006	EXTENDED LIFE 005	08/01/87	537506.17	106605.82	22125.74	2011.43	405763.18
414007	PIER	12/01/81	671912.08	671912.08	0.00	0.00	0.00
414008	EXTENDED LIFE 007	08/01/87	1436047.51	284817.23	59113.01	5373.91	1086743.36
414009	2-15,000 BBL	12/01/81	295961.87	295961.87	0.00	0.00	0.00
414010	EXTENDED LIFE 009	08/01/87	632546.29	125455.50	26037.94	2367.08	478585.77
414011	21,000 BBL TANK	12/01/81	8959.75	8959.75	0.00	0.00	0.00
414012	EXTENDED LIFE 011	08/01/87	19170.25	3802.12	789.12	71.74	14507.27
414013	BOILER	12/01/81	87410.70	87410.70	0.00	0.00	0.00
414014	EXTENDED LIFE 013	08/01/87	186833.37	37055.69	7690.81	699.16	141387.71
414015	SUPPORTS, BRIDGE, WALKWAY	05/01/82	5051.46	5051.46	0.00	0.00	0.00
414016	EXTENDED LIFE 015	08/01/87	12054.74	2284.25	474.09	43.10	9253.30
414017	PIER	05/01/82	10089.36	10089.36	0.00	0.00	0.00
414018	EXTENDED LIFE 017	08/01/87	24075.95	4562.20	946.87	85.08	18480.81
414019	DREDGING	05/01/82	91860.44	91860.44	0.00	0.00	0.00
414020	EXTENDED LIFE 019	08/01/87	219201.50	41537.77	8621.05	783.73	168258.95
414021	DREDGE SPOIL AREA	05/01/82	10587.23	10587.23	0.00	0.00	0.00
414022	EXTENDED LIFE 021	08/01/87	25263.77	4787.40	993.61	90.33	19392.43
414023	TKS 1501 & 1502	05/01/82	70736.94	70736.94	0.00	0.00	0.00
414024	EXTENDED LIFE 024	08/01/87	168795.14	31985.98	6638.60	603.51	129567.05
414025	DOCK PRODUCT LINES	05/01/82	27529.02	27529.02	0.00	0.00	0.00
414026	EXTENDED LIFE 025	08/01/87	65690.80	12448.11	2583.57	234.87	50424.25
414027	SITE PREPARATION	05/01/82	7547.33	7547.33	0.00	0.00	0.00
414028	EXTENDED LIFE 027	08/01/87	18009.88	3412.72	708.30	64.39	13824.47
414029	CATHODIC PROTECTION	05/01/82	2773.26	2773.26	0.00	0.00	0.00
414030	EXTENDED LIFE 029	08/01/87	6617.59	1254.02	260.27	23.66	5079.64
414031	PAVING RETAINING WALL/DIK	05/01/82	10868.03	10868.03	0.00	0.00	0.00
414032	EXTENDED LIFE 031	08/01/87	25933.37	4914.29	1019.95	92.72	19906.41
414033	MISC TK FARM IMPROVEMENT	05/01/82	12844.91	12844.91	0.00	0.00	0.00
414034	EXTENDED LIFE 033	08/01/87	30650.09	5808.15	1205.46	109.59	23526.89
414035	BOILER & WATER TREATMENT	07/01/82	1011.49	1011.49	0.00	0.00	0.00
414036	EXTENDED LIFE 035	08/01/87	2526.49	479.75	99.57	9.05	1938.12
414037	PIPING, MECHANICAL/INSUL.	07/01/82	6568.33	6568.33	0.00	0.00	0.00
414038	EXTENDED LIFE 037	08/01/87	16471.43	3114.94	646.50	58.77	12651.22
414039	ELECT. RM/WAREHOUSE/BOILER	07/01/82	1070.43	1070.43	0.00	0.00	0.00
414040	EXTENDED LIFE 039	08/01/87	2672.57	507.61	105.35	9.58	2050.03
414041	TANK MODIFICATIONS	07/01/82	314.79	314.79	0.00	0.00	0.00
414042	EXTENDED LIFE 041	08/01/87	786.15	149.33	30.99	2.82	603.01
414043	MCC BUILDING	07/01/82	2578.38	2578.38	0.00	0.00	0.00
414044	EXTENDED LIFE 043	08/01/87	6439.02	1222.75	253.78	23.07	4939.42
414045	ELECTRICAL DISTRIBUTION	09/01/82	21850.82	21850.82	0.00	0.00	0.00
414046	EXTENDED LIFE 045	08/01/87	57262.18	10897.51	2261.75	205.61	43897.31

* - Denotes retired asset

STS

Distribution By Department - Accumulated Depreciation

For 1 Period(s)

Periods Posted Year-to-Date: 12

3:06pm

Schedule 6.22

Asset Number	Description	Placed In Service	Book Cost	Prior Year Accum Depr - Sec 179 & ITC	Depr Posted - Prior Periods	Depr Posted - This Period	Period End - Net Book Value
414047	DREDGING	10/01/82	108750.00	108750.00	0.00	0.00	0.00
414048	EXTENDED LIFE 047	08/01/87	291250.00	55484.38	11515.63	1046.87	223203.12
414049	CONSTRUCTION TANK	10/01/82	18567.36	18567.36	0.00	0.00	0.00
414050	EXTENDED LIFE 049	08/01/87	49725.65	9473.28	1966.09	178.74	39107.54
414051	PERMANENT POWER	10/01/82	3773.48	3773.48	0.00	0.00	0.00
414052	EXTENDED LIFE 051	08/01/87	10105.04	1925.23	399.58	36.32	7744.91
414053	WASTE WATER SYSTEM	12/01/82	51795.90	51795.90	0.00	0.00	0.00
414054	EXTENDED LIFE 053	08/01/87	145521.74	27778.57	5765.37	524.12	111453.62
414055	NITROGEN SUPPLY SYSTEM	12/01/82	12018.65	12018.65	0.00	0.00	0.00
414056	EXTENDED LIFE 055	08/01/87	33766.03	6445.68	1337.78	121.62	25260.95
414057	BOTTOM LOAD FUEL SK	12/01/82	567.24	567.24	0.00	0.00	0.00
414058	EXTENDED LIFE 057	08/01/87	1593.52	304.21	63.14	5.74	1220.43
414059	COLONIAL PIPELINE	12/01/82	13788.56	13788.56	0.00	0.00	0.00
414060	EXTENDED LIFE 059	08/01/87	36739.63	7394.96	1534.80	139.53	29670.34
414061	SANITARY AIR FILTER	12/01/82	1468.32	1468.32	0.00	0.00	0.00
414062	EXTENDED LIFE 061	08/01/87	4124.93	787.48	163.44	14.86	3159.15
414063	WINTERIZATION/SKID	12/01/82	669.78	669.78	0.00	0.00	0.00
414064	EXTENDED LIFE 063	08/01/87	1381.64	359.21	74.55	6.78	1441.10
414065	DOCK SHELTERS	12/01/82	1165.42	1165.42	0.00	0.00	0.00
414066	EXTENDED LIFE 065	08/01/87	3274.43	625.05	129.73	11.79	2507.86
414067	TANK 2101	12/01/82	759.83	759.83	0.00	0.00	0.00
414068	EXTENDED LIFE 067	08/01/87	2134.17	407.48	84.57	7.69	1634.43
414069	SUGAR EQUIPMENT SHELTER	02/01/83	2818.28	2818.28	0.00	0.00	0.00
414070	EXTENDED LIFE 069	08/01/87	8315.32	1590.52	330.11	30.01	6364.68
414071	PUMP/PIPING	04/01/83	4360.31	4360.31	0.00	0.00	0.00
414072	EXTENDED LIFE 071	08/01/87	13528.51	2469.02	512.43	46.59	10500.47
414073	AIR SYSTEM 1501/1502	04/01/83	1136.83	1136.83	0.00	0.00	0.00
414074	EXTENDED LIFE 073	08/01/87	3524.27	643.20	133.49	12.14	2735.44
414075	PUMPS/WATERLINE	05/01/83	1650.95	1650.95	0.00	0.00	0.00
414076	EXTENDED LIFE 075	08/01/87	5255.53	960.01	199.25	18.11	4078.16
414077	TWO 150 LB FIRE EXT.	09/01/83	2086.07	2086.07	0.00	0.00	0.00
414078	EXTENDED LIFE 077	08/01/87	7552.92	1335.77	287.61	26.15	5853.39
414079	MOVE DISP. TAILER	09/01/83	6840.28	6840.28	0.00	0.00	0.00
414080	EXTENDED LIFE 079	08/01/87	24207.90	4438.31	921.16	83.74	18764.69
414081	UPGRADE SO TERMINAL TANKAGE	11/01/83	8873.52	8873.52	0.00	0.00	0.00
414082	EXTENDED LIFE 081	08/01/87	33193.85	6096.45	1265.30	115.03	25717.07
414083	SO TERMINAL DRAINAGE	11/01/83	5617.37	5617.37	0.00	0.00	0.00
414084	EXTENDED LIFE 083	08/01/87	21013.09	3959.34	800.99	72.82	16279.94
414085	COMPLETE TK2101	11/01/83	1701.76	1701.76	0.00	0.00	0.00
414086	EXTENDED LIFE 085	08/01/87	6365.97	1169.15	242.65	22.06	4932.11
414087	RELOCATE & UPGRADE TK 8001	12/01/83	25993.07	25993.07	0.00	0.00	0.00
414088	EXTENDED LIFE 087	08/01/87	100034.29	18388.32	3816.44	346.95	77482.58
414089	NEW FIVE SPOT RAIL CAR FACILITY	08/01/84	3329.33	3329.33	0.00	0.00	0.00
414090	EXTENDED LIFE 089	08/01/87	16400.17	2896.36	601.13	54.65	12848.03
414091	ADM COKE EXPANSION	12/01/84	27526.62	27526.62	0.00	0.00	0.00
414092	EXTENDED LIFE 091	08/01/87	155883.97	27630.84	5734.70	521.34	122097.09
414093	PRODUCT RECOVERY LINE SOUTH -	12/01/84	1430.02	1430.02	0.00	0.00	0.00
414094	EXTENDED LIFE 093	08/01/87	8103.39	1435.42	297.92	27.08	6342.97
414095	TRF 67000 BB TK16701 FROM ST.	05/01/82	20902.92	20902.92	0.00	0.00	0.00
414096	EXTENDED LIFE 095	08/01/87	46087.08	8700.18	1805.70	164.15	35427.05
414097	ADDITIONAL COSTS TK 6701	01/01/85	662.16	662.16	0.00	0.00	0.00
414098	EXTENDED LIFE 097	08/01/87	3894.93	690.40	143.29	13.03	3048.21

* - Denotes retired asset

STS

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414099	RELOCATE TK6701 FROM ST. IGNAC	01/01/85	46426.61	46426.61	0.00	0.00	0.00
414100	EXTENDED LIFE 099	08/01/87	273058.01	48406.48	10046.63	913.33	213701.57
414101	65TH STREET CONTAINMENT	01/01/85	3316.69	3316.69	0.00	0.00	0.00
414102	EXTENDED LIFE 101	08/01/87	19508.31	3458.12	717.72	65.25	15267.22
414103	TK3301 FUEL OIL PREP	01/01/85	10911.67	10911.67	0.00	0.00	0.00
414104	EXTENDED LIFE 103	08/01/87	64179.18	11376.97	2361.26	214.66	50226.29
414105	TRF 8 3K BB TKS FROM SOMERVILL	01/01/85	67189.44	67189.44	0.00	0.00	0.00
414106	EXTENDED LIFE 105	08/01/87	395189.66	70054.69	14539.65	1321.79	309273.53
414107	INTERIM FIRE PROTECTION	01/01/85	1019.67	1019.67	0.00	0.00	0.00
414108	EXTENDED LIFE 107	08/01/87	5997.89	1063.18	220.66	20.06	4699.99
414109	TRF 301-308 FROM SOMERVILLE -	06/01/80	19350.00	19350.00	0.00	0.00	0.00
414110	EXTENDED LIFE 109	08/01/87	28650.00	5852.08	1214.58	110.42	21472.92
414111	PHASE I FERT ADDITIONS (APROCH	05/01/85	6893.84	6893.84	0.00	0.00	0.00
414112	EXTENDED LIFE 111	08/01/87	47575.94	8089.97	1679.05	152.64	37654.28
414113	PHASE II FERT ADDITIONS (APROC	05/01/85	1235.47	1235.47	0.00	0.00	0.00
414114	EXTENDED LIFE 113	08/01/87	8525.94	1449.82	300.91	27.35	6747.86
414115	NEW PUMP STATION & PIPING TK 1	05/01/85	2837.72	2837.72	0.00	0.00	0.00
414116	EXTENDED LIFE 115	08/01/87	19583.63	3320.09	691.15	62.83	15499.56
414117	NEW WATER LINE & SAFETY SHOWERS	05/01/85	3647.78	3647.78	0.00	0.00	0.00
414118	EXTENDED LIFE 117	08/01/87	25174.29	4280.77	888.46	80.77	19924.29
414119	PIPE RACK CROSSWALKS - NEW	06/01/85	901.50	901.50	0.00	0.00	0.00
414120	EXTENDED LIFE 119	08/01/87	6495.88	1105.31	229.40	20.86	5140.31
414121	CAUSTIC TEMP CONTROL	07/01/85	540.25	540.25	0.00	0.00	0.00
414122	EXTENDED LIFE 121	08/01/87	4069.86	693.01	143.83	13.08	3219.94
414123	TK1003 & 1004 - ETHANOL CONVER	07/01/85	25885.22	25885.22	0.00	0.00	0.00
414124	EXTENDED LIFE 123	08/01/87	195002.23	33204.36	6891.47	626.50	154279.90
414125	TK 3301 - LUBE OIL PROJECT	08/01/85	745.23	745.23	0.00	0.00	0.00
414126	EXTENDED LIFE 125	08/01/87	5878.70	1001.75	207.91	18.90	4650.14
414127	TRF TK 6702 FROM ST. IGNACE -	05/01/82	19785.84	19785.84	0.00	0.00	0.00
414128	EXTENDED LIFE 127	08/01/87	47214.16	8946.89	1856.90	168.81	36241.56
414129	RE-ERECT TK 6702 FROM ST. IGNA	08/01/85	88395.28	88395.28	0.00	0.00	0.00
414130	EXTENDED LIFE 129	08/01/87	697339.68	118821.14	24660.99	2241.91	551615.64
414131	TK 503 SOUTH POINT ETHANOL	08/01/85	15820.73	15820.73	0.00	0.00	0.00
414132	EXTENDED LIFE 131	08/01/87	124807.89	21266.24	4413.75	401.25	98726.65
414133	RELOCATE TKS 309 & 310 - SOMER	09/01/85	8043.26	8043.26	0.00	0.00	0.00
414134	EXTENDED LIFE 133	08/01/87	66560.26	11348.97	2355.45	214.13	52641.71
414135	TKS 309 & 310 TRF FRM SOMERVIL	06/01/80	4838.05	4838.05	0.00	0.00	0.00
414136	EXTENDED LIFE 135	08/01/87	7161.95	1462.89	303.62	27.60	5367.84
414137	TKS 1003 & 1004 FRM SOMERVILLE	06/01/80	16125.00	16125.00	0.00	0.00	0.00
414138	EXTENDED LIFE 137	08/01/87	23875.00	4876.74	1012.16	92.01	17894.09
414139	TK 1301 BUILD & EQUIP NEW	11/01/85	24958.10	24958.10	0.00	0.00	0.00
414140	EXTENDED LIFE 139	08/01/87	228593.11	39027.61	8100.07	736.37	180729.06
414141	REMOTE GAUGING PHASE I	11/01/85	5799.50	5799.50	0.00	0.00	0.00
414142	EXTENDED LIFE 141	08/01/87	55116.25	9068.43	1882.13	171.10	41994.59
414143	COMPRESSOR UPGRADE NEW	11/01/85	1999.63	1999.63	0.00	0.00	0.00
414144	EXTENDED LIFE 143	08/01/87	18313.80	3126.78	648.95	59.00	14479.07
414145	TK 3301 MODIFICATIONS FOR ETHA	11/01/85	558.61	558.61	0.00	0.00	0.00
414146	EXTENDED LIFE 145	08/01/87	5116.78	873.49	181.29	16.48	4045.52
414147	PAINT TKS 6701, 301-308	01/01/85	7078.30	7078.30	0.00	0.00	0.00
414148	EXTENDED LIFE 147	08/01/87	72397.97	12376.26	2568.66	233.51	57219.54
414149	TK 1001 (CAUSTIC CONV)	01/01/85	7475.39	7475.39	0.00	0.00	0.00
414150	EXTENDED LIFE 149	08/01/87	76458.56	13070.55	2712.76	246.61	60428.64

* - Denotes retired asset

STS

Distribution By Department: - Accumulated Depreciation

For 1 Period(s)

Periods Posted Year-to-Date: 12

12/09/92

3:08pm

Schedule 6.22

Asset Number	Description	Placed In Service	Book Cost	Prior Year Accum Depr - Sec 179 & ITC	Depr Posted - Prior Periods	Depr Posted - This Period	Period End - Net Book Value
414151	SCALE CONCRETE	01/01/86	3105.72	3105.72	0.00	0.00	0.00
414152	EXTENDED LIFE 151	08/01/87	31765.28	5430.25	1127.03	102.46	25105.54
414153	TK 501 GAUGE & PIPING	01/01/86	1380.01	1380.01	0.00	0.00	0.00
414154	EXTENDED LIFE 153	08/01/87	14114.63	2412.96	500.80	45.53	11155.34
414155	TKS 1005S06-C4385 RECONST. COS	01/01/86	16209.41	16209.41	0.00	0.00	0.00
414156	EXTENDED LIFE 155	08/01/87	165790.59	28341.66	5882.23	534.75	131031.95
414157	TKS 1005S06 TRF FROM SCHERVILL	06/01/80	16125.00	16125.00	0.00	0.00	0.00
414158	EXTENDED LIFE 157	08/01/87	23875.00	4876.74	1012.16	92.01	17894.09
414159	2ND CLOSE TK 6702	08/01/85	785.94	785.94	0.00	0.00	0.00
414160	EXTENDED LIFE 159	08/01/87	6200.36	1056.42	219.26	19.93	4904.75
414161	CAUSTIC LOADING ARMS	03/01/86	501.68	501.68	0.00	0.00	0.00
414162	EXTENDED LIFE 161	08/01/87	5794.41	950.39	197.25	17.93	4628.84
414163	INBOUND SUGAR PRE-STRAINERS -	03/01/86	358.87	358.87	0.00	0.00	0.00
414164	EXTENDED LIFE 163	08/01/87	4144.17	679.82	141.09	12.83	3310.43
414165	STEAM LINE EXTENSION	03/01/86	2355.55	2355.55	0.00	0.00	0.00
414166	EXTENDED LIFE 165	08/01/87	27204.52	4462.41	926.16	84.20	21731.75
414167	USED 18,000 GAL TK FR AG CHE	06/01/64	11083.00	10621.00	0.00	0.00	462.00
414168	USED 30,000 GAL TK FR AG CHE	08/01/62	9450.00	9450.00	0.00	0.00	0.00
414169	BOILER WATER TREATMENT - AFE C	04/01/86	644.76	644.76	0.00	0.00	0.00
414170	EXTENDED LIFE 169	08/01/87	7952.10	1305.14	270.88	24.62	6351.46
414171	2-67000 BBL TANKS TSF FM 42 TO	06/01/82	39571.99	39571.99	0.00	0.00	0.00
414172	EXTENDED LIFE 171	08/01/87	94428.01	17893.68	3713.78	337.62	72482.93
414173	TSF 10000 BBL TANK FM 36 TO 41	06/01/80	8062.50	8062.50	0.00	0.00	0.00
414174	EXTENDED LIFE 173	08/01/87	11937.50	2438.36	506.07	46.01	8947.06
414175	TSF 10000 BBL TANK FM 36 TO 4	06/01/80	8062.50	8062.50	0.00	0.00	0.00
414176	EXTENDED LIFE 175	08/01/87	11937.50	2438.36	506.07	46.01	8947.06
414177	TSF 10000 BBL TANK FM 36 TO 41	06/01/80	8062.50	8062.50	0.00	0.00	0.00
414178	EXTENDED LIFE 177	08/01/87	11937.50	2438.36	506.07	46.01	8947.06
414179	TANK 1202 PROJECT	07/01/86	6276.55	6276.55	0.00	0.00	0.00
414180	EXTENDED LIFE 179	08/01/87	95723.45	15904.32	3300.90	300.08	77218.15
414181	ASPHALT PROJECT	07/01/86	114928.16	114928.16	0.00	0.00	0.00
414182	EXTENDED LIFE 181	08/01/87	1771071.84	291218.78	60441.64	5494.69	1413916.73
414183	MARPOL "OILY WASTE RECEPTION"	08/01/86	858.70	858.70	0.00	0.00	0.00
414184	EXTENDED LIFE 183	08/01/87	14406.46	2370.26	491.94	44.72	11499.54
414185	TKS 1005 & 1006 PROJECT	09/01/86	1340.66	1340.66	0.00	0.00	0.00
414186	EXTENDED LIFE 185	08/01/87	24659.34	4059.54	842.54	76.50	19680.66
414187	METER MODIFICATION (SUPPLEMENT	10/01/86	636.31	636.31	0.00	0.00	0.00
414188	EXTENDED LIFE 187	08/01/87	12938.73	2131.26	442.34	40.21	10324.92
414189	TK 1001 (CAUSTIC COND)	10/01/86	140.20	140.20	0.00	0.00	0.00
414190	EXTENDED LIFE 189	08/01/87	2850.90	469.59	97.46	8.86	2274.99
414191	MODIFY 309.310.502. & 1003 RAJ	11/01/86	852.83	852.83	0.00	0.00	0.00
414192	EXTENDED LIFE 191	08/01/87	19361.82	3191.12	662.31	60.21	15448.18
414193	1002/2001 RAIL SPOT	11/01/86	230.67	230.67	0.00	0.00	0.00
414194	EXTENDED LIFE 193	08/01/87	5236.70	953.10	179.14	16.28	4178.18
414195	FERTILIZER RELOCATION/TR LOAD	12/01/86	3313.04	3313.04	0.00	0.00	0.00
414196	EXTENDED LIFE 195	08/01/87	85035.37	14023.01	2910.44	264.58	67837.34
414197	TANK 1202 PROJECT	01/01/87	274.82	274.82	0.00	0.00	0.00
414198	EXTENDED LIFE 197	08/01/87	8099.78	1336.47	277.38	25.22	6460.71
414199	STEAM METER	01/01/87	279.58	279.58	0.00	0.00	0.00
414200	EXTENDED LIFE 199	08/01/87	8241.54	1359.86	282.23	25.66	6573.79
414201	TANK 1201 HUBBLEIN ETHANOL C80	01/01/87	3696.49	3696.49	0.00	0.00	0.00
414202	EXTENDED LIFE 201	08/01/87	108957.68	17978.09	3731.30	339.21	86909.08

* - Denotes retired asset

575

Distribution By Department - Accumulated Depreciation

For 1 Period(s)

Periods Posted Year-to-Date: 12

12/09/97

3:08pm

Schedule 6.22

Asset Number	Description	Placed In Service	Book Cost	Prior Year Accum Depr - Sec 179 & ITC	Depr Posted - Prior Periods	Depr Posted - This Period	Period End - Net Book Value
414205	PLATECOILS & PIPING-ASPHALT PR	01/01/87	2294.60	2294.60	0.00	0.00	0.00
414206	EXTENDED LIFE 205	08/01/87	67636.85	11160.12	2316.25	210.57	53949.92
414207	RAIL CATHALKS.MOV.ELECT CONTR-	01/01/87	1638.00	1638.00	0.00	0.00	0.00
414208	EXTENDED LIFE 207	08/01/87	48281.11	7966.42	1653.41	150.31	38510.97
414209	REMOTE GAUGING. PHASE II	01/01/87	1035.02	1035.02	0.00	0.00	0.00
414210	EXTENDED LIFE 209	08/01/87	30508.90	5033.98	1044.79	94.98	24335.15
414211	ALCAN LATEX PROJECT	01/01/87	19589.08	19589.08	0.00	0.00	0.00
414212	EXTENDED LIFE 211	08/01/87	577410.92	95273.20	19773.68	1797.61	460566.43
414213	ASPHALT PROJECT	01/01/87	9980.88	9980.88	0.00	0.00	0.00
414214	EXTENDED LIFE 213	08/01/87	294198.65	48542.98	10074.96	915.90	234664.81
414215	RAIL. ROAD & PARKING LOT PAVING	01/01/87	3006.08	3006.08	0.00	0.00	0.00
414216	EXTENDED LIFE 215	08/01/87	88608.49	14620.46	3034.43	275.86	70677.74
414217	TSF 2-3000 BBL FM 36 TO 41-CB6	06/01/80	5568.75	5568.75	0.00	0.00	0.00
414218	EXTENDED LIFE 217	08/01/87	6431.25	1283.61	266.41	24.22	4857.01
414219	TSF 2-3000 BBL FM 36 TO 41-CB6	06/01/80	5568.75	5568.75	0.00	0.00	0.00
414220	EXTENDED LIFE 219	08/01/87	6431.25	1283.61	266.41	24.22	4857.01
414221	2-1000 BBL-TSF 36 TO 41	06/01/80	1762.50	1762.50	0.00	0.00	0.00
414222	EXTENDED LIFE 221	08/01/87	2237.50	460.86	93.57	8.51	1684.56
414223	OVERSPENT RBSOS, SAF RAIL FACIL	03/01/87	102.10	102.10	0.00	0.00	0.00
414224	EXTENDED LIFE 223	08/01/87	4253.77	674.56	140.00	12.73	3426.48
414225	LUBE & FUEL OIL T/T CONTAINMEN	03/01/87	825.60	825.60	0.00	0.00	0.00
414226	EXTENDED LIFE 225	08/01/87	34400.46	5455.08	1132.18	102.93	27710.27
414227	KEY STOP LOADER	06/01/84	445.33	445.33	0.00	0.00	0.00
414228	EXTENDED LIFE 227	08/01/87	2054.67	362.30	75.19	6.84	1610.34
414229	CS-55 SYSTEM UP-GRADE	06/01/87	1335.15	1335.15	0.00	0.00	0.00
414230	EXTENDED LIFE 229	08/01/87	55630.89	8821.72	1830.92	166.45	44811.80
414231	TKS 1005 & 1006 PROJECT	07/01/87	20.82	20.82	0.00	0.00	0.00
414232	EXTENDED LIFE 231	08/01/87	4420.08	702.43	145.79	13.25	3558.61
414233	HVAC SYSTEM UPGRADE	07/01/87	43.25	43.25	0.00	0.00	0.00
414234	EXTENDED LIFE 233	08/01/87	1801.75	285.71	59.30	5.39	1451.35
414235	STAIRWAYS & CROSSWALKS - BALTI	08/01/87	13590.01	2160.81	448.47	40.77	10939.96
414236	TANK 304 PREP FOR AC-30	10/01/87	102987.72	15757.13	3398.60	308.96	83523.03
414237	ALCAN LATEX PROJECT	10/01/87	145325.44	22234.80	4795.74	435.98	117858.92
414238	WASTEWATER HOLDING TANKS & SEN	12/01/87	68866.70	10123.40	2272.60	206.60	56264.10
414239	TANK 1201 - HEBBLEIN ETHANOL	12/01/87	14360.60	2111.00	473.90	43.08	11732.62
414240	TANK 6703 & 6704 PAINTING	12/01/87	12965.93	1905.99	427.87	38.90	10593.17
414241	OFFICE EXPANSION, 1987	01/01/88	60147.45	8661.24	1984.87	180.44	49320.90
414242	STD CHLORINE TK 1005	01/01/88	53315.03	7677.36	1759.39	159.95	43718.33
414243	NEW TRUCK SCALE & PNEUMATIC SY	01/01/88	121096.08	17437.84	3996.17	363.29	99298.78
414244	NEW TRUCK SCALE & PNEUMATIC SY	01/01/88	1517.67	218.55	50.09	4.55	1244.48
414245	STEAM BACK PRESSURE CONTROL	01/01/88	8359.73	1203.80	275.87	25.08	6854.98
414246	TANK 1008 CIL CAUSTIC	01/01/88	234836.29	33816.43	7749.60	704.51	192565.75
414247	MOOS TO TANK 1006 SYSTEM	01/01/88	17037.56	2453.40	562.24	51.11	13970.81
414248	HOT OIL UNIT TO STEAM GENERATO	01/01/88	114024.62	16419.55	3762.82	342.07	93500.18
414249	MOOS TO TANK 1006 SYSTEM	01/01/88	1215.82	175.08	40.12	3.65	996.97
414250	FRUCTOSE STEAM METER	02/01/88	12900.77	1819.02	425.73	38.70	10617.32
414251	TANK 1008 CIL CAUSTIC	02/01/88	7207.07	1016.19	237.83	21.62	5931.43
414252	TANK 1202 PROJECT-PAINTING	06/01/88	17592.53	2269.43	580.55	52.78	14689.77
414253	ULTRASONIC THICKNESS GAUGE	09/01/88	1473.56	884.13	243.14	22.10	324.19
414254	INSULATION TKS 1001/1003	10/01/88	88788.74	17313.80	4983.38	443.94	66147.62
414255	SAFETY SHOWERS ASPH 1008/1301	10/01/88	6792.48	3973.61	1120.76	101.89	1596.22
414256	FERT RECEIVING MANIFOLD/LINE	10/01/88	10171.80	1190.10	335.67	30.51	8615.52

* - Denotes retired asset

575

Distribution by Department - Accumulated Depreciation

For 1 Period(s)

Periods Posted Year-to-Date: 12

12/09/92

3:08pm

Schedule 6.23

Asset Number	Description	Placed In Service	Book Cost	Prior Year Accum Depr - Sec 179 & ITC	Depr Posted - Prior Periods	Depr Posted - This Period	Period End - Net Book Value
414257	PAN & TILT VIDEO CAMERA	10/01/88	9465.10	5537.68	1561.91	141.99	2224.52
414258	HOT WATER BOILER TK 1501/1502	10/01/88	30659.34	5978.57	1686.26	153.30	22841.21
414259	FERT REC LINES/WH HOLD TANK	10/01/88	20000.00	2340.00	660.00	60.00	16940.00
414260	HOSE REELS & BUNKER GEAR	12/01/88	5476.05	1013.07	301.18	27.38	4134.42
414261	TANK 1201 PDCB-STD CHLORINE	12/01/88	49080.73	9079.93	2699.44	245.40	37055.96
414262	TANK 1202 STD CHLORINE	12/01/88	57613.30	10658.47	3168.73	288.07	43498.03
414263	CATWALKS/STAIRWAYS 1988	01/01/89	15982.44	1726.11	527.42	47.95	13680.96
414264	TK 1002-K11 GENERAL FOAM	01/01/89	194691.51	35044.47	10708.03	973.46	147965.55
414265	NORTH DIKE EXP-E ROADWAY CONT	01/01/89	198539.46	21453.06	6555.10	595.92	170036.36
414266	GAUGING SYS PRINTER	01/01/89	761.35	137.04	41.87	3.81	578.63
414267	DOCK CAMERAS AND VCR	01/01/89	7247.61	3913.71	1195.86	108.71	2029.33
414268	WASTEWATER HOLDING TANKS/SEWER	01/01/89	132722.26	14334.00	4379.83	398.17	113510.26
414269	CORKEN COMPRESSOR TK1002	09/01/89	35031.88	5484.47	2146.75	195.16	31225.50
414270	HOT OIL FILTERS/SYSTEMS	09/01/89	12539.46	1811.53	711.67	64.70	10351.56
414271	INSULATION TK 3301	09/01/89	132440.73	11125.02	4370.55	397.32	116547.84
414272	MIXERS LATEX TKS 311/318	09/01/89	20093.34	1687.84	663.08	60.28	17682.14
414273	TK 1006 LINE HOOS	09/01/89	9876.95	1382.77	543.24	49.38	7901.56
414274	HOSE CLEANING FACILITY	11/01/89	64157.53	5004.29	2117.20	192.47	56843.57
414275	4-3000 ELEVATED TANKS	11/01/89	659108.71	51410.48	21750.58	1977.33	583970.32
414276	CONCRETE ROADWAY	11/01/89	30950.00	2414.10	1021.35	92.85	27421.70
414277	RELOCATION OF FUEL OIL RAIL LO	12/01/89	135805.90	10185.44	4481.59	407.42	120731.45
414278	FRUCTOSE RAIL CAR HANDLING FAC	01/01/90	393684.97	28345.32	12991.61	1181.05	351165.99
414279	TANK AERATION BLOWERS	02/01/90	15865.49	1827.98	874.25	79.48	13113.78
414280	TK 103 CONCRETE FLOOR	05/01/90	3317.76	199.07	109.49	9.95	2999.25
414281	TANK 2401	05/01/90	340476.54	20428.59	11235.73	1021.43	307790.79
414282	ASPHALT STORAGE & HANDLING	08/01/90	1321000.00	67371.00	43593.00	3963.00	1206073.00
414283	MAIN GATE FLOOD CONTROL	12/01/90	14987.23	974.17	824.29	74.94	13113.83
414284	SAFETY SHOWER 1301 LOAD AREA	01/01/91	16990.78	1019.45	934.50	84.95	14951.58
414285	HOT OIL BOILER 12	01/01/91	59000.00	2124.00	1947.00	177.00	54752.00
414286	CROSSWALKS	01/01/91	8980.32	538.82	493.92	44.90	7902.68
414287	ASPHALT VIDEO	01/01/91	10000.00	900.00	825.00	75.00	8200.00
414288	ASPHALT 15 YR	01/01/91	619000.00	37140.00	34045.00	3095.00	544720.00
414289	ASPHALT 25 YR	01/01/91	17054.86	613.98	562.81	51.17	15826.90
414290	BENZENE PUMP UPGRADE	01/01/91	18667.05	1120.02	1026.68	93.34	16427.01
414291	TANK HIGH LEVEL ALARMS	04/01/91	5920.79	265.44	325.66	29.60	5299.10
414292	6" GAS LINE	04/01/91	16400.17	738.01	902.01	82.00	14678.15
414293	CROSSWALKS (3)	05/01/91	12000.00	480.00	660.00	60.00	10800.00
414294	TK 8002&8003 PRESSURE RELIEF	06/01/91	7283.19	254.92	400.59	36.42	6591.26
414295	MOTOROLA RADIOS	06/01/91	2943.40	309.10	485.72	44.16	2104.42
414296	WATER CLEAN-UP SKID BENZENE	07/01/91	78890.33	7100.13	13016.91	1183.36	57589.93
414297	LATEX PUMP	08/01/91	17362.94	434.08	954.97	85.62	15886.97
414298	TK 301 & 302 SEPERATION	09/01/91	97408.57	1948.17	5357.46	487.04	89615.90
414299	12 ADJ RAMPS LOAD RAMPS TK CAR	11/01/91	32536.32	325.36	1794.97	163.18	30351.81
414300	TK 6701 HIGH LEVEL ALARMS	01/01/92	25477.80	0.00	1401.26	127.39	23949.15
414301	EMERGENCY SUPPLY TRAILER/EQUIP	01/01/92	7474.89	0.00	411.15	37.38	7026.36
414302	8" BALL VALVE/MOV EMGY SHUTDOWN	02/01/92	16098.34	0.00	804.91	80.49	15212.94
414303	THREADING MACHINE	04/01/92	2439.27	0.00	97.56	12.20	2329.51
414304	BREASTING COLUMNS-WEST SIDE	08/01/92	27450.00	0.00	943.00	137.25	25763.75
414305	VAPOR CONTROL SYSTEM-BENZENE	08/01/92	8334.20	0.00	166.70	41.67	8125.83
414306	SAFETY SHOWER - ELF RAIL RACK	09/01/92	2407.84	0.00	36.11	12.04	2359.69
414307	TK 318 MIXER INSTALLATION	10/01/92	33049.52	0.00	330.49	165.25	32553.78
414308	TK 1001 WASTE WATER PUMP	10/01/92	7324.55	0.00	73.25	36.63	7214.67

- Denotes retired asset

STG

Distributi. By Department - Accumulated Depreciation

for 1 Period(s)

Periods Posted Year-to-Date: 12

11/05/02

3:06pm

Schedule 6.22

Asset Number	Description	Placed In Service	Book Cost	Prior Year Accum Depr - Sec 179 & ITC	Depr Posted Prior Periods	Depr Posted This Period	Period End = Net Book Value
414309	DOCK SURVEILLANCE CAMERAS	10/01/92	8184.82	0.00	245.49	122.75	7816.58
414310	ACRYLATE FACILITY-PARTIAL	11/01/92	535658.71	0.00	2929.30	2929.29	530000.12
414311	2" WATER LINE TO SUGAR PAD	12/01/92	4451.91	0.00	0.00	22.26	4429.65
414312	ACRYLATE FACILITY-FINAL	12/01/92	6500.00	0.00	0.00	32.50	6467.50
Totals for: 211041000		212041000	23205457.25	6527634.21	734293.36	69870.60	15871659.08

General Ledger Asset Account: 215041000

Accumulated Account: 215041000

415002	PURCHASE BOOM TRUCK	01/01/87	46208.00	41587.20	0.00	0.00	4620.80
415004	1988 DODGE PICKUP	10/01/88	10225.00	9202.49	0.01	0.00	1022.50
415005	1987 FORD F150 PICKUP	06/01/90	8282.91	4969.75	2484.87	0.00	828.29
415006	UTILITY VEHICLE	11/01/90	4828.95	1014.08	796.78	72.43	2945.66
415007	E133 UTILITY VEHICLE	02/01/91	2100.00	346.50	346.50	31.50	1375.50
415008	E1-60 XI-600	04/01/92	5103.00	0.00	1020.67	127.58	3954.75
Totals for: 215041000		216041000	76747.86	57120.02	4648.83	231.51	14747.50

Totals for -

Department Code: 41

Department Desc: TERMINAL 41

== REPORT TOTALS ==

24444814.40	6845866.67	755107.21	71600.40	16772240.12
48426432.68	15451773.39	1452541.02	139498.65	31382619.62

Notes :

1. This is a trial post
2. Adjustments taken this posting
3. Depreciation allocation for
Final year assets : Spread over remaining life
Retired assets : Adjustments taken this period
4. Assets meeting criteria for this report - 1186 of 1186
5. Reporting level - detail

* - Denotes retired asset

Schedule 6.23

DATED DECEMBER 17, 1992

As of the date of this schedule, the following audits and claims are pending with respect to the Corporations:

Federal Tax Audits of the Grace Consolidated Return

Federal Income Tax	1987, 1988 and 1989
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State Tax Audits of Grace-Conn. Combined or Unitary Returns

California Franchise Tax	1983, 1984 and 1985
California Franchise Tax	1986, 1987 and 1988
Florida Corporation Income Tax	1985, 1986
Minnesota Corporation Tax	1985, 1986, 1987, 1988 and 1989

Refund Claim

STS - Texas Franchise Tax	1988, 1989 and 1990
STI - Texas Franchise Tax	1988, 1989 and 1990

SCHEDULE 14.05

SUPPORT TERMINAL SERVICES, INC.
STS AGREEMENT AND PLAN OF MERGER

GUARANTEED AGREEMENTS

See Exhibit A: Leased Easements and Rights-of-Way -- Items
II.B and V.A

SUPPORT TERMINAL SERVICES, INC.
INSURANCE PROCEDURES AGREEMENT

INSURANCE PROCEDURES AGREEMENT dated December 21, 1992
by and among W. R. GRACE & CO. ("WRG"), a New York corporation,
W. R. GRACE & CO.-CONN. ("Grace"), a Connecticut corporation and
a wholly owned subsidiary of WRG, and GRACE ENERGY CORPORATION
("GEC"), a Delaware corporation and a wholly owned subsidiary of
Grace, and KANEB PIPE LINE OPERATING PARTNERSHIP, L.P., a Dela-
ware limited partnership ("OLP"), and NSTS, INC., a Delaware
corporation and a wholly owned subsidiary of OLP, and NSTI, INC.,
a Delaware corporation and a wholly owned subsidiary of OLP (the
"OLP Corporations").

WHEREAS, pursuant to an Agreement and Plan of Merger of
even date herewith between GEC and the Corporations and OLP and
the OLP Corporations (the "Merger Agreement"), OLP is acquiring
the Corporations by means of their merger with and into the OLP
Corporations;

WHEREAS, capitalized terms used but not defined herein
are used with the definitions given them in the Merger Agreement;

WHEREAS, the Corporations have heretofore been covered
under insurance programs described in Exhibit A hereto, and
corresponding programs for prior periods (collectively, the "WRG
Insurance Programs") maintained by WRG or Grace; and

WHEREAS, the parties to this Agreement wish to set
forth their agreement on the terms and conditions under which the

OLP Corporations as successors by merger of the Corporations will continue to be covered under the WRG Insurance Programs for periods ending on or prior to the "Cut-Off", which term shall mean 12:01 a.m. on the day of the Closing;

NOW, THEREFORE, in consideration of the premises and the covenants and agreements herein contained, the parties hereto agree as follows:

1. OLP shall be the sole agent for the OLP Corporations in all matters relating to this Agreement, including the resolution of any disputes between any of the OLP Corporations and WRG, Grace or the appropriate insurance carrier relating to this Agreement. None of the OLP Corporations shall have any authority to represent itself in any such matter or to terminate such agency without the prior written consent of WRG and OLP.

2. All insurance coverage for the Corporations under the WRG Insurance Programs shall terminate at the Closing with respect to events or occurrences following the Cut-Off.

3. Except as otherwise provided in this Agreement, OLP and the OLP Corporations (but solely and exclusively in their capacity as successors to the Corporations by merger and dissolution, and not with respect to any matters respecting OLP or the OLP Corporations prior to the Closing) shall be covered under the WRG Insurance Programs, subject to the terms, conditions and limits (other than deductibles) of the applicable insurance policies, for events or occurrences preceding the Cut-Off. The deductibles for the relevant policy period shall be chargeable to

OLP and the OLP Corporations; provided that (i) the deductibles shall be the deductibles of the WRG Insurance Programs (the "Program Deductibles") and not any higher deductibles of third-party policies included therein, and WRG and Grace shall be responsible for paying the difference between the Program Deductibles and any such higher deductibles, (ii) the Program Deductibles shall be as set forth on Exhibit A for the policy periods referred to therein, and (iii) in no event shall the Program Deductibles for previous policy periods be higher than the corresponding Program Deductibles for the policy periods as set forth on Exhibit A. With respect to coverages listed on Exhibit A whose policies expire prior to the Cut-Off, Grace shall provide substantially similar coverages for the period from such expiration until the Cut-Off.

4. Coverage for the Corporations under WRG's excess liability insurance, as described in Exhibit A and subject to the terms, conditions and limits of the applicable insurance policies, shall terminate on June 30, 1992 with respect to events or occurrences preceding the Cut-Off.

5. Blanket Crime and Fiduciary Liability insurance coverage for the Corporations shall terminate with respect to claims made after the Cut-Off.

6. Neither OLP nor any OLP Corporation shall be liable to WRG, Grace or any insurance carrier providing coverage under the WRG Insurance Programs for any charge or assessment for which such OLP Corporation might otherwise be liable after the

Cut-Off under the WRG Insurance Programs, nor shall OLP or any OLP Corporation be entitled to any credits or refunds which such Corporation might otherwise be entitled to receive from WRG or any such insurance carrier after the Cut-Off under the WRG Insurance Programs, except as otherwise provided in this Agreement.

7. OLP and the Company shall give prompt notice to WRG of all claims which are covered by WRG Insurance Programs and which shall continue to be maintained by WRG for the Corporations after the Cut-Off as described in this Agreement; provided that failure to give such notice shall not adversely affect the rights of OLP and the OLP Corporations hereunder except to the extent that such failure results in a full or partial denial of coverage under the applicable policies and otherwise prejudices WRG or its subsidiaries. Upon notice of any claim, WRG shall notify the appropriate insurance carrier under the WRG Insurance Programs and, in conjunction with such insurance carrier, shall have the right to direct the investigation, negotiation and, if applicable, the defense of such claim and to settle or otherwise dispose of such claim without the consent or approval of OLP or any of the OLP Corporations unless the insureds are entitled to give consent to such settlement under the applicable third-party insurance policy. The parties shall cooperate with each other relative to the exchange of records and other information necessary for the reporting, investigation and, if applicable, defense of such claim. OLP shall cause the OLP Corporations to make

their employees available as may be necessary in connection with the investigation or defense of any such claim.

8. The parties acknowledge that WRG, Grace or GEC has obtained on behalf of the Corporations certain performance bonds, bid bonds and other surety instruments ("Bonds") to secure certain obligations of the Corporations and that WRG, Grace and GEC are obligated to indemnify the sureties. As promptly as practicable after the Closing, WRG, Grace or GEC, as the case may be, shall cancel all Bonds which are cancelable. OLP shall use its reasonable efforts to obtain, or cause the OLP Corporations to obtain, replacements for those Bonds which are not cancelable. Upon obtaining each such replacement Bond, the party so obtaining shall promptly notify WRG and arrange for WRG, Grace or GEC, as the case may be, to be released from the Bonds which have been replaced. During the period between the Closing and the date OLP or the Company obtains such replacement Bond and release, OLP shall pay WRG, Grace or GEC, as the case may be, all premiums and other fees charged by the surety to WRG, Grace or GEC with respect to the prior Bond for such period. OLP shall also indemnify WRG, Grace and GEC and save and hold each of them harmless from and against any and all liabilities, costs, losses or damages (including reasonable attorneys' fees) suffered by WRG, Grace or GEC as a result of any act or omission by OLP or any OLP Corporation which requires the surety under a Bond to perform according to its terms.

9. All notices, requests, demands and other communications required or permitted to be given hereunder shall be given in accordance with the provisions of Article 16 of the Merger Agreement.

10. (a) This Agreement and the Merger Agreement set forth the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes all prior agreements, arrangements and understandings relating to the subject matter hereof. No representation, promise, inducement or statement of intention relating to the subject matter hereof has been made by the parties hereto nor any Corporation which is not set forth in this Agreement or the Merger Agreement, and neither the parties hereto nor any Corporation shall be bound by or liable for any such representation, promise, inducement or statement of intention not so set forth.

(b) This Agreement may be amended, superseded or canceled, and any of the provisions hereof may be waived, only by a written instrument specifically stating that it amends, supersedes or cancels this Agreement or waives a provision hereof, executed by or on behalf of all parties (or, in the case of a waiver, by or on behalf of the party waiving compliance). The failure of any party at any time or times to require performance of any provision of this Agreement shall in no manner affect the right at a later time to enforce the same. No waiver by any party of any provision, or of any breach of any provision, contained in this Agreement, in any one or more instances, shall

be deemed to be or construed as a further or continuing waiver of any such provision or breach, or a waiver of any other provision or of any other breach of any provision of this Agreement.

(c) This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, excluding the conflict-of-laws provisions thereof that would otherwise require the application of the law of any other jurisdiction.

(d) This Agreement may be executed in two or more counterparts, each of which shall be an original, but all of which shall constitute but one agreement.

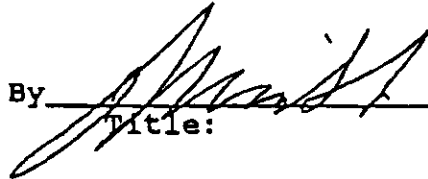
(e) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns; provided that (i) the rights of each OLP Corporation hereunder shall terminate at such time as it is no longer controlled by OLP or an affiliate of Kaneb Services, Inc., and (ii) this Agreement shall not be assignable by any party without the prior written consent of the other parties, provided that OLP and the OLP Corporations may assign their rights hereunder to an affiliate or affiliates of Kaneb Services, Inc., without such consent.

11. Notwithstanding any term or provision hereof, the Closing shall be a condition subsequent to the effectiveness of this Agreement, and this Agreement shall automatically terminate without any further action being required, if and when the Merger Agreement is terminated pursuant to its terms. If this Agreement

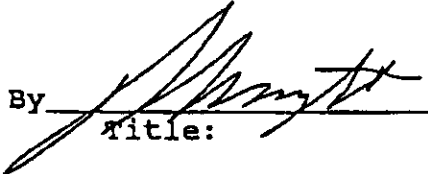
terminates pursuant to the immediately preceding sentence, no party shall have any obligation to any other party under this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this instrument on the date first above written.

W. R. GRACE & CO.

By 
Title: _____

W. R. GRACE & CO.-CONN.

By 
Title: _____

GRACE ENERGY CORPORATION

By _____
Title: _____

KANEB PIPE LINE OPERATING
PARTNERSHIP, L.P.

By KANEB PIPE LINE COMPANY,
general partner

By _____
Title: _____

NSTS, INC.

By _____
Title: _____

NSTI, INC.

By _____
Title: _____

Summit Technical Services, Inc.
(Services)
Summary of Insurance

EXHIBIT A

Line No.	(1) Insurer	(2) Policy Number	(3) Coverage	(4) Policy Period	(5) Limit of Liability	(6) Deductible
SECTION 1						
(1)	Industrial Risk Insurers and Various Domestic Insurers	31-3-54846 Various	<u>Fire & Allied Perils (on Real and Personal Property)</u> - Fire, lightning, extended coverage, vandalism, - Malicious mischief and sprinkler leakage - All risk, including difference-in-conditions - Earthquake and Flood	12/31/91-12/31/92	Blanket \$50,000,000	\$25,000
(2)	Industrial Risk Insurers	31-3-48979	<u>Boiler & Machinery</u> - Comprehensive - Mechanical and Electrical Equipment - Physical Damage	12/31/91-12/31/92	50,000,000	25,000
(3)	Transamerica Insurance Company	2781621	<u>Automobile Liability Deductible "Buy-Back"</u>	06/30/92-06/30/93	2,500,000	-
(4)	CNA	CCP001604384 (USA) CCP9001604498 (CAN)	<u>Automobile Liability</u> Liability (including non-owned vehicles) - Bodily Injury - Property Damage	06/30/92-06/30/93	7,500,000	-
(5)	CNA	CCP001604384 (USA) CCP9001604498 (CAN)	<u>General Liability</u> Liability - Bodily Injury and Property Damage	06/30/92-06/30/93	7,500,000	-
(6)	Transportation Insurance Company CNA National Fire Ins. Co. of Hartford Transportation Insurance Company	WC10-7417923 WC00-7417924 WC107 418 246 WC80-741 79 25	<u>Workers' Compensation</u> - Workers' Compensation - Employer's Liability	06/30/92-06/30/93	Slabatory 1,000,000 / 2,000,000	- -
(7)	Lloyd's and various British Insurers	40-0560-92 40-0571-92 40-0572-92	<u>Marine Terminal Operator's Legal Liability</u> - Comprehensive General Liability - Terminal Operator's Liability	07/31/92-06/30/93	2,500,000 / 5,000,000	-(a)
(8)	Various Scandinavian Insurers and Mutual Marine Office	Various	<u>Energy & Marine Liability</u> - Operator's Extra Expense - Pollution - Protection & Indemnity - Wharfinger's/Stevedore's/Charterer's Liability	06/30/92-06/30/93	25,000,000 25,000,000 25,000,000	250,000 25,000 25,000 (b)
(9)	United States Aircraft Insurance Group	360AC-198261	<u>Aircraft - Hull and Liability</u> (including non-owned aircraft)	01/01/90-01/01/93	200,000,000	-
(10)	CODA A.C.E. X.L. Gulf	Various	<u>Directors and Officers Liability</u>	11/04/92-11/04/93	110,000,000	25,000,000 (c)

Supplies Terminal Services, Inc.
(STTS), Inc.,
Summary of Insurance

EXHIBIT A

Line No.	(1) Insurer	(2) Policy Number	(3) Coverage	(4) Policy Period	(5) Limit of Liability	(6) Deductible
SECTION 2						
(11)	National Union Fire Insurance Company X.L. Insurance Co., Ltd. A.C.E. Insurance Co., Ltd.	Various	Excess Liability	06/30/92 - 06/30/93	17,500,000 75,000,000 200,000,000	-
SECTION 3						
(12)	National Union Fire Insurance Company American Home Assurance Company Federal Insurance Company (Chubb)	4385430 8219721 (CAN) 81098034 - A	Blanket Crime (all employees) - Fidelity - Money & Securities	12/31/91 - 12/31/92	25,000,000	500,000 USA (d) 25,000 CAN
(13)	National Union Fire Insurance Company Federal Insurance Company (Chubb)	14228405 81212842 - A	Fiduciary Liability	11/04/92 - 11/04/93	50,000,000	150,000

NOTE:

- (a) Products and Completed Operations claims are underwritten on a "claims-made" basis, subject to an automatic five-year discovery provision.
- (b) Subject to policy terms and conditions, policy responds to losses not covered under Marine Terminal Operator's Liability policy. Total limit is \$25 million.
- (c) Deductible indicated in Summary of Insurance is the Corporate Reimbursement deductible only. The deductible is \$5,000 per Director or Officer, subject to \$50,000 claim aggregate for non-indemnifiable acts.
- (d) Deductibles indicated are Corporate Deductibles only.

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SUPPORT TERMINAL SERVICES, INC.
TAX PROCEDURES AGREEMENT

AGREEMENT dated December 21, 1992 by and among W.R. Grace & Co. ("Grace"), a New York corporation, W.R. Grace & Co.-Conn. ("Grace-Conn."), a Connecticut corporation, Grace Energy Corporation ("GEC"), a Delaware corporation, and Kaneb Pipe Line Operating Partnership, L.P. ("OLP"), a Delaware limited partnership, NSTS, Inc. ("NSTS"), a Delaware corporation, and NSTI, Inc. ("NSTI"), a Delaware corporation.

WITNESSETH:

WHEREAS, GEC and OLP, NSTS, and NSTI (OLP, NSTS, and NSTI collectively "Buyer") among others have entered into the STS Agreement and Plan of Merger ("Merger Agreement") of even date herewith providing for the merger of STV into STP, the merger of STP into STS and the mergers of STI and STS into, respectively, NSTI, and NSTS;

WHEREAS, prior to the date of this Agreement, STS, STI, STP and STV (collectively "Corporations") have been included in Grace's consolidated returns of federal income taxes and certain of Grace-Conn.'s state combined, unitary or consolidated tax returns;

WHEREAS, GEC and Buyer are not willing to consummate the transactions contemplated by such Merger Agreement without agreement as to settlement of certain tax obligations;

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements herein contained, the parties hereto agree as follows:

1. Definitions

As used in this Agreement, the following terms have the meanings set forth in this Article. All Article and Section numbers used in this agreement refer to Articles and Sections of this Agreement, unless otherwise specifically described.

1.01 "Buyer" means OLP, NSTS, and NSTI.

1.02 "Closing" has the meaning specified in the Merger Agreement.

1.03 "Closing Date" means the date of this Agreement.

1.04 "Code" means the Internal Revenue Code of 1986, as amended.

1.05 "Combined Return Tax" means any Income Tax for which a return is filed on a combined, unitary or consolidated basis (whether at the initiative of the tax authorities or the taxpayer) which includes the income (or other basis for taxation) of one or more of the Corporations and of one or more members of the Grace Group.

1.06 "Corporations" has the meaning specified in the Merger Agreement.

1.07 "GEC" has the meaning specified in the Merger Agreement.

1.08 "Grace" has the meaning specified in the Merger Agreement.

1.09 "Grace-Conn." has the meaning specified in the Merger Agreement.

1.10 "Grace Group" means Grace and all of its direct or indirect subsidiaries whether or not wholly-owned, other than the Corporations.

1.11 "Income Tax" means (i) a Tax imposed on or measured by (in whole or in part) income of the taxpayer, or (ii) any state franchise tax assessed in lieu of an income tax.

1.12 "Merger Agreement" means the STS Agreement and Plan of Merger among GEC, the Corporations and Buyer dated December 21, 1992.

1.13 "NSTI" has the meaning specified in the Merger Agreement.

1.14 "NSTS" has the meaning specified in the Merger Agreement.

1.15 "OLP" has the meaning specified in the Merger Agreement.

1.16 "Separate Return Tax" means any Income Tax other than a Combined Return Tax.

1.17 "STI" has the meaning specified in the Merger Agreement.

1.18 "STP" has the meaning specified in the Merger Agreement.

1.19 "STS" has the meaning specified in the Merger Agreement.

1.20 "STV" has the meaning specified in the Merger Agreement.

1.21 "Tax" has the meaning specified in the Merger Agreement.

2. Grace, Grace-Conn. and GEC Responsibility for Taxes

2.01 Grace, Grace-Conn. and GEC shall have sole responsibility for all matters related to Combined Return Taxes and Separate Return Taxes with respect to periods ending on or before the Closing Date including, but not limited to, preparation and filing of returns, conduct of any governmental audits, and

resolution of any disputes with governmental authorities and, except as otherwise provided in this Section 2.01, Buyer and its affiliates shall have no obligation with respect thereto. Grace, Grace-Conn. and GEC shall prepare and file any and all returns of Combined Return Taxes and Separate Return Taxes with respect to such periods. Buyer shall, as reasonably requested by Grace, Grace-Conn. or GEC, provide Grace, Grace-Conn. or GEC with all information and documents in their possession or control necessary or appropriate to enable Grace, Grace-Conn. or GEC to perform their obligations under this Section. Grace, Grace-Conn. and GEC shall keep confidential all such information and documents received from Buyer under this Section, except as otherwise required by law. Grace, Grace-Conn. or GEC shall pay to the taxing authorities, and, subject to Section 13.04 of the Merger Agreement, shall indemnify Buyer against, all Combined Return Taxes and Separate Return Taxes for all periods ending on or before the Closing Date (including any payments resulting from any governmental audit or other adjustment or amendment of any return of such Taxes), and Grace, Grace-Conn. and GEC shall be entitled to retain any refund of Combined Return Taxes or Separate Return Taxes for such periods.

3. Responsibility of Buyer for Taxes

3.01 After the Closing, Buyer shall have sole responsibility for all matters related to (a) all Separate Return Taxes of the Corporations attributable to periods beginning after the Closing Date and (b) Taxes other than Combined Return Taxes and Separate Return Taxes, including, but not limited to, preparation and filing

of returns, conduct of any audits, and resolution of any disputes with governmental authorities and, except as otherwise provided in this Section 3.01, GEC and other members of the Grace Group shall have no obligation with respect thereto. Buyer shall prepare and file any and all returns and reports of such Taxes. Grace shall, and shall cause its subsidiaries to, provide Buyer with all information and documents in their possession or control necessary or appropriate to enable Buyer to perform its obligations under this Section. Buyer shall keep confidential all such information and documents received from the Grace Group under this Section except as otherwise required by law. Buyer shall pay to the taxing authorities, and shall indemnify the Grace Group against, all Taxes of the Corporations described in this Section (including any payments resulting from any governmental audit or other adjustment or amendment of any return of such Taxes), and Buyer shall be entitled to retain any refund of Taxes described in this Section.

4. Specific Tax Undertakings

4.01 Neither Buyer nor any stockholders or partners of Buyer shall be entitled to any compensation for any use by the Grace Group of carrybacks or other tax attributes of the Corporations.

5. Settlement for Taxes

5.01 The Corporations will have remitted to Grace prior to the Closing, in accordance with standard Grace procedures, amounts in respect of Taxes which are the responsibility of Buyer under Article 3. Any such funds which have not been remitted by the Grace Group to the relevant Tax authorities on or prior to the Closing Date shall be remitted by the Grace Group to the appro-

priate Tax authorities on behalf of the Corporations, or at the option of Grace, Grace-Conn. or GEC, shall be paid by Grace, Grace-Conn. or GEC to Buyer promptly after the Closing.

6. Purchase Price

6.01 The parties acknowledge that the purchase price under the Merger Agreement takes into account the liabilities for Taxes to be retained or assumed by Grace, Grace-Conn. and GEC under Article 2 of this Agreement, and the liabilities for Taxes to be retained or assumed by Buyer under Article 3 of this Agreement.

7. Termination of Income Tax Agreement

7.01 The Income Tax Agreement dated July 24, 1989 among Grace, Grace-Conn., GEC and certain subsidiaries of GEC shall be terminated as of the Closing with respect to the Corporations which are parties to such Income Tax Agreement.

8. General

8.01 This Agreement may be amended, modified, superseded or canceled, and any of the terms hereof may be waived, only by a written instrument specifically referring to this Agreement specifically stating that it amends, modifies, supersedes or cancels this Agreement or waives any of its terms, executed by all parties (or, in the case of a waiver, by the party waiving compliance). The failure of any party at any time or times to require performance of any provision of the Agreement shall in no manner affect the right at a later time to enforce the same. No waiver by any party of any breach of any term contained in this Agreement, in any one or more instances, shall be deemed to be or

construed as a further or continuing waiver of such breach, or a waiver of any breach of any other term.

8.02 All obligations of entities included in the term Buyer and all obligations of Grace, Grace-Conn. and GEC, respectively, under this Agreement shall be joint and several.

8.03 The Article headings contained in this Agreement are for convenient reference only, and shall not in any way affect the meaning or interpretation of this Agreement.

8.04 This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Texas, excluding the conflict of laws provisions thereof that would otherwise require the application of the law of any other jurisdiction.

8.05 This Agreement may be executed in multiple counterparts, each of which shall be an original, but all of which shall constitute but one agreement.

8.06 This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, but no assignment by any party of any of its obligations under this Agreement shall operate to discharge that party from such obligation.

8.07 All notices, requests, demands and other communications required or permitted to be given hereunder shall be deemed to have been duly given if in writing and delivered personally or mailed first-class, postage prepaid, registered or certified mail, addressed as follows:

If to Grace or Grace-Conn.:

W.R. Grace & Co.
One Town Center Road
Boca Raton, Florida 33486-1010
Attention: Director of Taxes

If to GEC:

Grace Energy Corporation
13455 Noel Road, Suite 1500
Dallas, Texas 75240
Attention: Vice President - Taxes

with a copy to:

W.R. Grace & Co.
One Town Center Road
Boca Raton, Florida 33486-1010
Attention: Director of Taxes

If to Buyer:

Kaneb Pipe Line Operating Partnership, L.P.
2400 Lakeside Boulevard
Suite 600
Richardson, Texas 75082
Attention: Edward D. Doherty

with a copy to:

Kaneb Services, Inc.
2400 Lakeside Boulevard
Suite 600
Richardson, Texas 75082
Attention: Stephen M. Hoffner, Esq.

Any party may change the address to which such communications are to be directed to it by giving written notice to the other parties in the manner provided in this Section.

10. Survival

10.01 The representations, warranties, covenants and agreements of the parties set forth in this Agreement shall survive until twenty (20) days after the expiration of all applicable statutes of limitation (including any and all extensions thereof).

SCHEDULE TO SECTION 6.23 OF THE MERGER AGREEMENT

DATED DECEMBER 17, 1992

As of the date of this schedule, the following audits and claims are pending with respect to the Corporations:

Federal Tax Audits of the Grace Consolidated Return

Federal Income Tax	1987, 1988 and 1989
--------------------	---------------------

State Tax Audits of Grace-Conn. Combined or Unitary Returns

California Franchise Tax	1983, 1984 and 1985
California Franchise Tax	1986, 1987 and 1988
Florida Corporation Income Tax	1985, 1986
Minnesota Corporation Tax	1985, 1986, 1987, 1988 and 1989

Refund Claim

STS - Texas Franchise Tax	1988, 1989 and 1990
STI - Texas Franchise Tax	1988, 1989 and 1990

EMPLOYEE BENEFITS AGREEMENT

AGREEMENT dated December 21, 1992 by and among W. R. Grace & Co. ("Grace"), a New York corporation, W. R. Grace & Co.-Conn. ("Grace-Conn."), a Connecticut corporation, Grace Energy Corporation ("GEC"), a Delaware corporation, and Kanab Pipe Line Operating Partnership, L.P. ("OLP"), a Delaware limited partnership, NSTS, Inc. ("NSTS"), a Delaware Corporation, and NSTI, Inc. ("NSTI"), a Delaware corporation.

WHEREAS, OLP, NSTS, and NSTI (collectively "Purchaser") and GEC, among others, have entered into the STS Agreement and Plan of Merger ("Merger Agreement") of even date herewith providing for the merger of STV into STP, the merger of STP into STS and the mergers of STI, and STS into, respectively, NSTI, and NSTS; and

WHEREAS, pursuant to the Merger Agreement, the parties hereto wish to set forth their agreement as to certain matters regarding the treatment of employees of STS, STI, STP and STV (the "Corporations") and the employee benefits provided to such employees;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

1. Definitions.

Except as otherwise expressly provided herein, all capitalized terms used herein shall have the meaning assigned to them under the Merger Agreement.

2. Collective Bargaining Agreement.

STI (a subsidiary of STS) has entered into a collective bargaining agreement with the Oil, Chemical and Atomic Worker's International Union AFL-CIO, dated June 29, 1990, which covers certain employees of STI (Texas City). To the extent that the provisions of such collective bargaining agreement differ from the provisions of this Agreement, the provisions of such collective bargaining agreement shall control. Without limiting the scope of the preceding sentence, if required by the terms of such collective

bargaining agreement, Purchaser shall cause to be established, effective as of the Closing Date, a defined benefit pension plan qualified under Section 401(a) of the Code ("Purchaser's Pension Plan") which (a) satisfies the requirements of such collective bargaining agreement, (b) recognizes all periods of employment prior to the Closing Date for participation, vesting and benefit accrual purposes that are recognized for such purposes as of such date under the Grace Energy Corporation Retirement Plan for Hourly Employees (the "Hourly Plan") and (c) provides that benefits payable under the Hourly Plan shall in all events offset the benefits payable under Purchaser's Pension Plan.

3. Occupational Accidental Death Policy.

Purchaser shall take any and all necessary action to become, as of the Closing Date, the policyholder of the Pan-American Life Insurance Company Occupational Accidental Death Insurance Policy (policy number G-25611) which covers union hourly employees of STI (Texas City).

4. Defined Benefit Pension Plans.

(a) As of the Closing Date, (i) the employees of the Corporations on that date, including any employees of the Corporations who are not actively at work on that date, (the "Continued Employees") who participated in the W. R. Grace & Co. Retirement Plan for Salaried Employees and/or the Hourly Plan (collectively referred to herein as the "Grace Pension Plans") on the day before the Closing Date shall cease to actively participate in the Grace Pension Plans and (ii) the Corporations shall cease to be participating employers in those Plans.

(b) Grace shall cause the Administrative Committee of the Grace Pension Plans to take any and all necessary action to cause the accrued benefits of all Continued Employees who are participants in the Grace Pension Plans on the Closing Date to become fully vested and nonforfeitable as of such date. The Grace Pension Plans shall thereafter be liable for payment of such accrued benefits in accordance with the terms thereof.

9. Grace Executive Benefit Plans.

As of the Closing Date, any and all Continued Employees who participated in the W. R. Grace & Co. Executive Salary Protection Plan, the W. R. Grace & Co. Supplemental Executive Retirement Plan and/or any other executive benefit plan maintained by Grace or Grace Energy (collectively referred to herein as the "Grace Executive Benefit Plans") on the day before the Closing Date shall cease to participate in the Grace Executive Benefit Plans. Grace shall be liable for the payment of any benefits that may be payable under the terms of any Grace Executive Benefit Plan to Continued Employees. Purchaser shall be under no obligation to establish successor plans to replace the benefits provided under any Grace Executive Benefit Plan.

10. Grace Deferred Compensation Program.

Grace shall remain liable on and after the Closing Date for the payment to any Continued Employee of the total amount of compensation which was deferred prior to the Closing Date at the election of such employee pursuant to the deferred compensation agreements between Grace and/or Grace Energy and the Continued Employee and which was not paid on or before the Closing Date, in accordance with such election.

11. Annual Incentive Compensation Plan and Long Term Incentive Plan.

(a) Certain Continued Employees participate in the Grace Energy Corporation Annual Incentive Compensation Plan (the "Grace Energy Annual Incentive Plan"). Purchaser shall pay incentive compensation under the Grace Energy Annual Incentive Plan on or before April 15, 1993 to such Continued Employees, with respect to services rendered during 1992 but prior to the Closing Date, which payments shall, in the aggregate, equal the aggregate amount which is reflected on the Closing Statement with respect to such plan.

(b) The Closing Statement shall not reflect any liability with respect to the W. R. Grace & Co. Long Term Incentive Plan.

12. Benefit Plan Costs.

Neither the Purchaser nor the Corporations shall be obligated to pay any amount due and unpaid by the Corporations at the time of the Closing with respect to the

provision of employee benefits prior to the Closing for eligible employees of the Corporations under employee benefit plans maintained by Grace or any Grace Entity. Notwithstanding the provisions of the preceding sentence, the Purchaser shall pay to Grace at or promptly after the Closing all amounts due and unpaid by the Corporations at the time of the Closing with respect to employee premium payments to the Grace Welfare Plans and Grace LTD Plan and employee contributions to the Grace Savings Plan.

13. Vacation.

With respect to Continued Employees, Purchaser shall continue to apply the Corporations' vacation policies that are effective the day before the Closing Date (the "Corporations' Vacation Policies") for at least the remainder of the calendar year in which the Closing occurs; so that each Continued Employee shall be entitled to use any vacation time or receive any vacation pay to which he or she would otherwise be entitled for that calendar year under the Corporations' Vacation Policies (including any vacation carried-over from the preceding calendar year).

14. Severance Pay.

Effective upon the Closing, Purchaser shall establish a severance pay plan or program for the benefit of all Continued Employees, which plan or program shall remain in effect for a period of not less than 12 months after the Closing Date. With respect to salaried Continued Employees, such severance pay plan or program shall provide benefits that are comparable to the benefits provided under the terms of the GEC severance pay program for salaried employees that was announced to the salaried employees of the Corporations in conjunction with the divestment of GEC by Grace and that was in effect on the day before the Closing Date, based upon an aggregation of service with the Corporations up to the Closing and service with Purchaser after Closing. With respect to hourly Continued Employees, such severance pay plan or program shall provide benefits that are comparable to the Corporations' severance pay plan or program for hourly employees that was in effect the day before the Closing Date, based upon an aggregation of service with the Corporations up to the Closing and service with Purchaser after the Closing. The preceding provisions of this Section 14 shall apply to (i) any Continued

Employee who is terminated by the Purchaser within 12 months after the Closing Date other than for cause, (ii) any Continued Employee who voluntarily terminates employment with the Purchaser in order to avoid a forced relocation of principal residence or as a result of an unreasonable change in job duties or compensation, and (iii) any Continued Employee who on the Closing Date is absent from work on account of disability (whether or not he or she is receiving workers' compensation payments), who recovers from such disability and requests reinstatement to active employment status but is denied reinstatement by Purchaser within the 12 month period beginning on the Closing Date.

15. Payroll Issues.

(a) At the request of Grace made any time after Closing, Purchaser shall, in a timely manner, provide Grace with the information in Purchaser's possession that Grace deems necessary for Grace to complete any Internal Revenue Service ("IRS") filing, including IRS W-2 Forms, with respect to each individual whose employment with the Corporations terminated prior to the Closing Date.

(b) Purchaser shall report to the IRS all taxable income earned by each Continued Employee for the entire calendar year in which the Closing occurs under Purchaser's Federal tax identification number and shall prepare, for Continued Employees, IRS W-2 Forms with respect to that income and shall reference such number on those forms. Grace, in a timely manner, shall request that the IRS transfer from Grace's Federal tax identification number to Purchaser's Federal tax identification number taxes withheld for Continued Employees prior to the Closing Date.

16. Continued Employees.

Notwithstanding any provisions to the contrary herein contained and except as otherwise provided in Section 14 of this Agreement, no individual shall be treated as a Continued Employee for purposes of eligibility to participate in any employee benefit plan maintained by the Purchaser or any of its affiliates unless, as of the Closing Date, such individual is (i) either actively employed or on authorized vacation, holiday, regularly unscheduled time off (such as weekends, holidays and the like) or other authorized leave

(such as sick leave, maternity leave, jury duty, emergency leave, military leave and the like) and (ii) not absent due to disability.

17. Right to Amend.

This Agreement may be amended, superseded or canceled, and any of the terms hereof may be waived only by a written instrument specifically referring to this Agreement and specifically stating that it amends, supersedes or cancels this Agreement or waives any of its terms, executed by both parties (or, in the case of a waiver, by the party waiving compliance). The failure of any party at any time or times to require performance of any provision of this Agreement shall in no manner affect the right at a later time to enforce the same. No waiver by either party of any breach of any term contained in this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of such breach, or waiver of any breach of any other term.

18. Miscellaneous.

(a) Nothing in this Agreement shall be deemed to constitute a contract between either of the parties hereto and its employees or any of the Corporations and their employees or to be consideration or inducement for the employment of any employee with either of the parties or any of the Corporations.

(b) Nothing in this Agreement shall give any employee the right to be retained in the service of either of the parties hereto or any of the Corporations or to interfere with the parties' rights to discharge or terminate the service of any employee without regard to the effect such discharge or termination may have on any rights under any employee benefit plan.

(c) This Agreement does not create, and shall not be construed as creating, any rights enforceable by any person not a party to this Agreement.

(d) Except as otherwise expressly provided in this Agreement, no provision of this Agreement shall be interpreted or construed in a manner which would prevent the parties hereto or any of the Corporations, in their sole discretion, from discontinuing, suspending or amending any employee benefit plan, severance pay plan or any other plan or program covering employees.

(e) Notwithstanding any term or provision hereof, the Closing under the Merger Agreement shall be a condition subsequent to the effectiveness of this Agreement, and this Agreement shall automatically terminate without any further action required if and when the Merger Agreement terminates pursuant to its terms. If this Agreement terminates pursuant to the immediately preceding sentence, neither party shall have any obligation to the other under this Agreement.

(f) This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Texas, excluding the conflict of laws provisions thereof that would otherwise require the application of the law of any other jurisdiction.

(g) Each party to this Agreement shall cooperate with the others to effectuate the foregoing provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

W. R. Grace & Co.

Kaneb Pipe Line Operating Partnership,
L.P., By Kaneb Pipe Line Company,
General Partner

By: 

By: _____

W. R. Grace & Co.-Conn.

NSTS, Inc.

By: 

By: _____

Grace Energy Corporation

NSTI, Inc.

By: _____

By: _____

GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT (this "*Guaranty Agreement*") dated as of December 21, 1992, is made by W. R. GRACE & CO. - CONN., a Connecticut corporation ("*Guarantor*"), in favor of KANEB PIPE LINE OPERATING PARTNERSHIP, L.P., a Delaware limited partnership ("*KPL*"), NSTS, Inc., a Delaware corporation ("*NSTS*"), and NSTI, Inc., a Delaware corporation ("*NSTI*"), (KPL, NSTS and NSTI are hereinafter individually and collectively referred to as the "*Beneficiary*").

RECITALS

Reference is hereby made to that certain STS Agreement and Plan of Merger (the "*Merger Agreement*") dated of even date herewith among Beneficiary and Grace Energy Corporation, a Delaware corporation and wholly-owned subsidiary of Guarantor ("*Subsidiary*"), among others.

It is a condition to the agreement of Beneficiary to execute the Merger Agreement and consummate the transactions contemplated thereby that this Guaranty Agreement shall have been executed and delivered by Guarantor.

NOW, THEREFORE, in order to induce, and in consideration of, the execution and delivery of the Merger Agreement by Beneficiary, and for reasonably equivalent value, Guarantor hereby covenants and agrees with Beneficiary as follows:

1. *Defined Terms.* Capitalized terms used herein but not defined shall have the meaning given them in the Merger Agreement.

2. *The Guaranty.* (a) Guarantor hereby irrevocably and unconditionally guarantees to each of KPL, NSTS and NSTI the full and timely performance, payment and discharge by Subsidiary of all obligations and liabilities of Subsidiary now existing or hereafter arising under the Merger Agreement and the Ancillary Agreements, as such agreements may hereafter be amended (the "*Guaranteed Obligations*") and hereby agrees that if Subsidiary shall fail to pay any Guaranteed Obligation when and as the same shall be due and payable by Subsidiary to any Beneficiary or timely to perform and discharge in full any Guaranteed Obligation in accordance with the terms of the Merger Agreement or the Ancillary Agreements, Guarantor shall forthwith pay to KPL for the benefit of the appropriate Beneficiary an amount equal to any such amount or perform and discharge any such Guaranteed Obligation, as the case may be, as such payment or performance and discharge is required pursuant to the terms of the Merger Agreement or the Ancillary Agreements to be made or done by Subsidiary. Except as expressly provided in this Guaranty Agreement, KPL shall act as agent for NSTS and NSTI under this Agreement.

(b) Guarantor agrees that no renewal or extension of, or any other indulgence with respect to, the Guaranteed Obligations or any part thereof, no release of Subsidiary (except an express written release) or of any other Person primarily or secondarily liable on the Guaranteed Obligations or any part thereof (including any guarantor or surety), no delay in enforcement of payment of the Guaranteed Obligations or any part thereof, and no delay or omission or lack of diligence or care in exercising any right or power with respect to the Guaranteed Obligations, or any other guaranty thereof, shall in any manner impair or affect the rights of any Beneficiary hereunder.

(c) This is an absolute Guaranty of payment and not of collection, and Guarantor waives any right to require that any action be brought against Subsidiary or any other Person. Should any Beneficiary seek to enforce the obligations of Guarantor hereunder by action in any court, Guarantor waives any necessity, substantive or procedural, that a judgment previously be rendered against Subsidiary or any other Person, or that any action be brought against Subsidiary or any other Person, or that Subsidiary or any other Person should be joined in such cause; the obligations of the Guarantor assumed hereunder are several from those of Subsidiary or any other Person, and are primary obligations concerning which Guarantor is a principal obligor. Such waiver shall be without prejudice to any Beneficiary at its option to proceed against Subsidiary or any other Person, whether by separate action or by joinder. Guarantor agrees that this Guaranty shall not be discharged except by the full, final and complete payment and satisfaction of the Guaranteed Obligations. The obligations of Guarantor hereunder shall not be affected in any way by: (1) the recision of any payment of the Guaranteed Obligations or the requirement that any such payment otherwise be returned by any Beneficiary upon the insolvency, bankruptcy or reorganization of Subsidiary, (2) receivership, insolvency, bankruptcy or other similar proceedings affecting Guarantor or Guarantor's assets, or (3) the liquidation or dissolution of the Subsidiary.

3. *Obligations Absolute.* The obligations of Guarantor hereunder shall be primary, absolute, irrevocable and unconditional, and shall not be released, discharged or in any way affected by, any of the following circumstances or conditions (whether or not Guarantor shall have any knowledge or notice thereof):

(a) any amendment, modification of or supplement to the Merger Agreement or the Ancillary Agreements or any other instrument referred to therein or any assignment or transfer of any rights or obligations thereunder in accordance with its terms; or

(b) any receivership, bankruptcy, insolvency, readjustment, composition, liquidation, dissolution or similar proceeding with respect to Subsidiary or its property; or

(c) any merger, amalgamation or consolidation of Guarantor or of Subsidiary into or with any other corporation or partnership or any sale, lease or transfer of any or all of the assets of Guarantor or of Subsidiary to any Person.

4. *Waiver.* (a) Guarantor unconditionally waives, to the fullest extent permitted by law: (i) notice of acceptance hereof and notice of any liability to which it applies or may apply, notice of any action taken or omitted in reliance hereon and of any defaults by Subsidiary in the payment or performance of any Guaranteed Obligations, and of any of the matters referred to in paragraph 3 hereof; (ii) all notices that may otherwise be required by statute, rule of law or otherwise to preserve any of the rights of any Beneficiary against Guarantor, including, without limitation, presentment to or demand for payment from Subsidiary or Guarantor, notice to Subsidiary or to Guarantor of default or protest for nonpayment or dishonor, and the filing of claims with a court in the event of the bankruptcy of Subsidiary; and (iii) any requirement of diligence on the part of any Beneficiary in enforcing this Guaranty Agreement. Guarantor waives any right to require any Beneficiary to proceed against any additional or substitute endorsers or guarantors.

(b) Guarantor specifically waives, at each occurrence thereof any notice of the creation, existence, extension or renewal or rearrangement of the Guaranteed Obligations, or any indulgence with respect to the Guaranteed Obligations, or any part thereof, and waives notice of the amount of the Guaranteed Obligations outstanding at any time, and agrees that the maturity of the Guaranteed Obligations, or any part thereof, may be accelerated, extended or renewed or any other indulgence may be granted with respect thereto by any Beneficiary as may be expressly agreed to in writing by Subsidiary without notice to or further consent by Guarantor, at any time or times.

(c) A Beneficiary may at any time, without the consent of or notice to Guarantor, without incurring responsibility to the undersigned, without impairing or releasing the obligations of the undersigned, upon or without any terms or conditions and in whole or in part: (1) change the manner, place or terms of payment or change or extend the time of payment of, renew, or alter any liability of Subsidiary (to which Subsidiary expressly agrees in writing) hereby guaranteed (including the Guaranteed Obligations), or any liabilities incurred directly or indirectly hereunder, and the Guaranty herein made shall apply to the liabilities of Subsidiary as any of such liabilities may be changed, extended, renewed or altered in any manner; (2) exercise or refrain from exercising any rights against Subsidiary or other Person, or otherwise act or refrain from acting; and (3) subordinate the payment of all or any part of the Guaranteed Obligations to the payment of any liabilities which may be due to any Beneficiary or others.

(d) GUARANTOR EXPRESSLY AND SPECIFICALLY WAIVES ANY AND ALL RIGHTS, WHETHER ARISING BY LAW OR AGREEMENT OR OTHERWISE, TO

REIMBURSEMENT, CONTRIBUTION, AND SUBROGATION, AND TO PARTICIPATE IN ANY CLAIM OR REMEDY OF BENEFICIARY OR ANY OTHER PERSON AGAINST SUBSIDIARY OR ANY OTHER PERSON, WITH RESPECT TO THE GUARANTEED OBLIGATIONS. GUARANTOR HAS CONSULTED WITH LEGAL COUNSEL OF ITS OWN CHOOSING AS TO THE EFFECT OF THE FOREGOING WAIVERS IN THIS SECTION 4.

(e) No delay on the part of any Beneficiary in exercising any right hereunder or failure to exercise the same shall operate as a waiver of such right, nor in any event shall any modification or waiver of the provisions of this Guaranty be effective unless in writing; nor shall any such waiver be applicable except in the specific instance for which given.

5. **Defenses.** Notwithstanding any term or provision hereof, Guarantor shall have, and be entitled to assert and use, any and all valid defenses to the payment and performance of Guaranteed Obligations arising under, relating to or in connection with the Merger Agreement or any Ancillary Agreement, including without limitation any defenses arising under, relating to, or in connection with Article 13 of the Merger Agreement but only to the extent that Subsidiary would be able to assert and use such valid defense; provided, that none of the matters set forth in the last sentence of Section 2(c) hereof may be utilized by Guarantor as a defense to payment or performance of the Guaranteed Obligations.

6. **Notices.** Unless otherwise specifically provided herein, all notices, consents, directions, approvals, instructions, requests and other communications required or permitted by the terms hereof shall be in writing, and any such communication shall become effective when received, addressed in the following manner:

(a) if to Guarantor, to:

W. R. Grace & Co.-Conn.
One Town Center Road
Boca Raton, Florida 33486-10
Attention: Secretary
Facsimile Number: (407) 362-1635
Confirmation Number: (407) 362-1645